

SERFF Tracking Number:	GARD-128039104	State:	Arkansas
Filing Company:	Berkshire Life Insurance Company of America	State Tracking Number:	
Company Tracking Number:			
TOI:	H111 Individual Health - Disability Income	Sub-TOI:	H111.007 Long Term - Related to marketing with employer or association groups
Product Name:	1417 Re-File		
Project Name/Number:	/		

## Filing at a Glance

Company: Berkshire Life Insurance Company of America		
Product Name: 1417 Re-File	SERFF Tr Num: GARD-128039104	State: Arkansas
TOI: H111 Individual Health - Disability Income	SERFF Status: Reopened-Replaced	State Tr Num:
Sub-TOI: H111.007 Long Term - Related to marketing with employer or association groups	Co Tr Num:	State Status: Waiting Industry Response
Filing Type: Form	Author: Cindy Ego	Reviewer(s): Donna Lambert
	Date Submitted: 01/27/2012	Disposition Date: 01/30/2012
		Disposition Status: Replaced
Implementation Date Requested: On Approval		Implementation Date:
State Filing Description:		

## General Information

Project Name:	Status of Filing in Domicile: Pending
Project Number:	Date Approved in Domicile:
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact:	Filing Status Changed: 01/30/2012
	State Status Changed: 01/27/2012
Deemer Date:	Created By: Cindy Ego
Submitted By: Cindy Ego	Corresponding Filing Tracking Number:
Filing Description:	

Berkshire Life Insurance Company of America is submitting the above-referenced revised forms for your review and approval. Subsequent to your state's approval of these riders on 7/13/2011, file number GARD-127298755, we discovered an inadvertent error. We have corrected this error to the Basic Residual Disability Benefit Riders which have not been marketed or sold in your state. The revisions do not impact the rates previously approved by your Department.

Specifically, we slightly modified the definition of Residual Disability and Residually Disabled so as to ensure that we are paying residual indemnity in all appropriate situations—a correction that benefits the insured. Again, these riders have not yet been marketed or sold and the revisions do not impact the rates previously approved by your Department.

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The Basic Residual Disability Benefit Rider – 1417 (07/11), 1417-A (07/11) provides a benefit when the insured is gainfully employed in their occupation and is not totally disabled under the terms of the policy but, solely because of sickness or injury, the insured's loss of income is at least 20% of the insured's prior income; and either 1) the insured is unable to perform one or more of the material and substantial duties of their occupation; or 2) they are able to perform all of the material and substantial duties of their occupation, but not for the length of time they normally require.

## Company and Contact

### Filing Contact Information

Cindy Ego, Compliance Specialist  
700 South Street 413-395-4319 [Phone]  
Pittsfield, MA 01201

### Filing Company Information

Berkshire Life Insurance Company of America CoCode: 71714 State of Domicile: Massachusetts  
700 South Street Group Code: Company Type:  
Pittsfield, MA 01201 Group Name: State ID Number:  
(413) 499-4321 ext. [Phone] FEIN Number: 75-1277524

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## Filing Fees

Fee Required? Yes  
Fee Amount: \$100.00  
Retaliatory? No  
Fee Explanation: Two forms at \$50.00 per form  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Berkshire Life Insurance Company of America	\$100.00	01/27/2012	55876343

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## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Replaced	Donna Lambert	01/30/2012	01/30/2012

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Donna Lambert	01/27/2012	01/27/2012	Cindy Ego	01/27/2012	01/27/2012

### Filing Notes

Subject	Note Type	Created By	Created On	Date Submitted
Reopen Filings	Note To Filer	Donna Lambert	01/30/2012	01/30/2012

*SERFF Tracking Number:*      *GARD-128039104*      *State:*      *Arkansas*  
*Filing Company:*      *Berkshire Life Insurance Company of America*      *State Tracking Number:*  
*Company Tracking Number:*  
*TOI:*      *H111 Individual Health - Disability Income*      *Sub-TOI:*      *H111.007 Long Term - Related to marketing with  
employer or association groups*  
*Product Name:*      *1417 Re-File*  
*Project Name/Number:*      */*

## **Disposition**

Disposition Date: 01/30/2012

Implementation Date:

Status: Replaced

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: GARD-128039104 State: Arkansas

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Product Name: 1417 Re-File

Project Name/Number: /

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification	Replaced	Yes
Supporting Document	Application	Replaced	Yes
Supporting Document	Health - Actuarial Justification	Replaced	Yes
Supporting Document	Outline of Coverage	Replaced	Yes
Supporting Document	1417 Red-Lined	Replaced	Yes
Form	Basic Residual Disability Benefit Rider	Replaced	Yes
Form	Basic Residual Disability Benefit Rider - Add-on	Replaced	Yes

SERFF Tracking Number: GARD-128039104 State: Arkansas  
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Product Name: 1417 Re-File  
Project Name/Number: /

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 01/27/2012  
Submitted Date 01/27/2012  
Respond By Date 02/27/2012

Dear Cindy Ego,

Even though the form(s) have not been issued, approved forms that are revised require a new form number or the addition of a revision date. If you do not wish to change the form number(s), you may request us to reopen the previously approved filing and revise the form language - then you can use the same form number(s).

Please respond to this objection by requesting us to reopen the previous filing or changing the form number(s).  
Thank you.

A.C.A. 23-79-109(1)-(5) sets forth the procedure by which filings may be deemed approved upon the expiration of certain time periods with no affirmative action by the commissioner. If the commissioner determines that additional information is needed to make a decision regarding approval, such request for information will be made to the company. The filing will not be considered complete until said additional information is received. The time periods set forth in this statute will not begin to run until the filing is complete.

Please feel free to contact me if you have questions.

Sincerely,  
Donna Lambert

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## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/27/2012  
Submitted Date 01/27/2012

Dear Donna Lambert,

### Comments:

### Response 1

Comments: Hi Donna,

We need to make the same change to 3 filings - GARD-127298755, GARD-127298736 and GARD-127298886. Can you please reopen all these filings so we can keep the same form numbers?

### Changed Items:

No Supporting Documents changed.

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

Sincerely,  
Cindy Ego

*SERFF Tracking Number:*      *GARD-128039104*      *State:*      *Arkansas*  
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*Product Name:*      *1417 Re-File*  
*Project Name/Number:*      */*

**Note To Filer**

**Created By:**

Donna Lambert on 01/30/2012 08:21 AM

**Last Edited By:**

Donna Lambert

**Submitted On:**

01/30/2012 08:21 AM

**Subject:**

Reopen Filings

**Comments:**

I will reopen all the filings you requested.



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## Form Schedule

### Lead Form Number: 1417 (07/11)

Schedule Item	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
<b>Status</b>						
Replaced 01/30/2012	1417 (07/11)	Policy/Cont Basic Residual ract/Fratern Disability Benefit al Rider Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		51.200	1417_07- 11.pdf
Replaced 01/30/2012	1417-A (07/11)	Policy/Cont Basic Residual ract/Fratern Disability Benefit al Rider - Add-on Certificate: Amendmen t, Insert Page, Endorseme nt or Rider	Initial		52.100	1417-A _07- 11_.pdf

## BASIC RESIDUAL DISABILITY BENEFIT RIDER

This rider is a part of the Policy to which it is attached. All provisions of the Policy apply to this rider and remain the same except where We change them by this rider.

The Policy is amended by adding or changing the following provisions:

### DEFINITIONS

#### **CPI-U**

CPI-U means the Consumer Price Index for All Urban Consumers, or any later replacement of it, as published by the United States Department of Labor.

#### **Current Index Month**

Current Index Month means the anniversary of the Original Index Month immediately preceding the Review Date.

#### **Disability or Disabled**

Disability or Disabled is amended to also include Residual Disability or Residually Disabled.

#### **Original Index Month**

Original Index Month means the calendar month 90 days before the date on which You were first Disabled in the same claim.

#### **Residual Disability or Residually Disabled**

Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled under the terms of the Policy, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are unable to perform one or more of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

#### **Residual Indemnity**

Residual Indemnity means the amount We will pay for each month of Residual Disability. It is a percentage of the Monthly Indemnity.

#### **Review Date**

Review Date means the recurrence each year of the date on which You were first Disabled in the same claim.

### PROVISIONS RELATING TO RESIDUAL DISABILITY

#### **Residual Disability Benefit**

When You are Residually Disabled, We will pay Residual Indemnity as follows:

- You must become Disabled while the Policy is in force.
- You must satisfy the Elimination Period.
- After You have satisfied the Elimination Period, Residual Indemnity will be payable at the end of each month while You are Residually Disabled.

For each month benefits are payable under this rider, Residual Indemnity may never exceed Loss of Income, except as stated in the Enhancements to Residual Indemnity provision.

**Payment of Residual Indemnity**

Residual Indemnity will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are Residually Disabled; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity.

**Enhancements to Residual Indemnity**

During the first six months in which Residual Indemnity is payable, We will deem Your Loss of Income to be 50% of Your Prior Income or the actual percentage of loss, if greater.

If Your Loss of Income is more than 75% of Prior Income in any month of Residual Disability while Residual Indemnity is payable, We will deem such loss to be 100%.

We will not increase the Residual Indemnity because You are Disabled from more than one cause at the same time.

**Adjustment of Prior Income and Prior Business Expenses**

On the Review Date while Residual Indemnity is payable, We will adjust Your Prior Income and Prior Business Expenses for the next 12 months to reflect any changes in cost of living since the start of claim. We will adjust the Prior Income and Prior Business Expenses by multiplying each by the actual percentage change in the CPI-U between the Current Index Month and the Original Index Month. The adjusted Prior Income and adjusted Prior Business Expenses will apply to the 12-month period that follows the Review Date and will be used to determine Your Loss of Income.

The adjustment to Prior Income and Prior Business Expenses may vary from year to year as the CPI-U rises or falls in relation to the Original Index Month. We will make no change that would reduce Prior Income or Prior Business Expenses below what they were at the start of claim.

We will adjust the Prior Income and Prior Business Expenses on each Review Date while Residual Indemnity is payable until the first of the following events occurs:

- a Recovery Benefit is payable; or
- the Benefit Period ends; or
- this rider terminates.

**Recovery Benefit**

We will pay You a Recovery Benefit if:

- You are no longer Disabled; and
- You return to Full Time Gainful Employment immediately following a period of Disability for which We paid benefits under the Policy; and
- Your Loss of Income is at least 20% of Your Prior Income; and
- Your Loss of Income is solely due to the Injury or Sickness that caused Your Disability.

The Recovery Benefit payable will be a percentage of the Monthly Indemnity for the Policy. The Recovery Benefit will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are claiming a Recovery Benefit; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity in effect on the last Review Date before Your Disability ended.

We will continue to waive premiums while You are receiving a Recovery Benefit even if it exceeds the six-month period after You recover as stated in the Waiver of Premium provision of the Policy. We will continue to waive premiums until the later of:

- the end of the six-month period after You recover; or
- the date the Recovery Benefit is no longer payable.

**Proof of Loss**

In addition to any Proof of Loss required by the Policy, You must provide Us with written Proof of Loss necessary to establish that Your Loss of Income is solely the result of the Injury or Sickness that caused Your Disability.

**Premium and Renewal**

The premium for this rider is shown in the Schedule Page. You may not renew this rider after the Expiration Date of the Policy.

**TERMINATION****Termination of Residual Indemnity**

Residual Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Residually Disabled; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Residual Disability; or
- You become Totally Disabled; or
- the Benefit Period ends; or
- this rider terminates.

**Termination of Recovery Benefit**

Recovery Benefit will no longer be payable on the date that the first of the following events occurs:

- You become Disabled; or
- You are no longer Gainfully Employed Full Time; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Disability; or
- Your Loss of Income is less than 20% of Your Prior Income; or
- the Benefit Period ends; or
- this rider terminates.

**Berkshire Life Insurance Company of America**



Secretary

**Berkshire Life Insurance Company of America**  
**700 South Street**  
**Pittsfield, MA 01201**

## **BASIC RESIDUAL DISABILITY BENEFIT RIDER**

As of the Effective Date shown below, this rider is attached to the Policy. All provisions of the Policy apply to this rider and remain the same except where We change them by this rider.

Policy Number:

Insured:

Effective Date of this rider:

The Policy is amended by adding or changing the following provisions:

### **DEFINITIONS**

#### **CPI-U**

CPI-U means the Consumer Price Index for All Urban Consumers, or any later replacement of it, as published by the United States Department of Labor.

#### **Current Index Month**

Current Index Month means the anniversary of the Original Index Month immediately preceding the Review Date.

#### **Disability or Disabled**

Disability or Disabled is amended to also include Residual Disability or Residually Disabled.

#### **Original Index Month**

Original Index Month means the calendar month 90 days before the date on which You were first Disabled in the same claim.

#### **Residual Disability or Residually Disabled**

Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled under the terms of the Policy, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are unable to perform one or more of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

#### **Residual Indemnity**

Residual Indemnity means the amount We will pay for each month of Residual Disability. It is a percentage of the Monthly Indemnity.

#### **Review Date**

Review Date means the recurrence each year of the date on which You were first Disabled in the same claim.

### **PROVISIONS RELATING TO RESIDUAL DISABILITY**

#### **Residual Disability Benefit**

When You are Residually Disabled, We will pay Residual Indemnity as follows:

- You must become Disabled while the Policy is in force.
- You must satisfy the Elimination Period.

- After You have satisfied the Elimination Period, Residual Indemnity will be payable at the end of each month while You are Residually Disabled.

For each month benefits are payable under this rider, Residual Indemnity may never exceed Loss of Income, except as stated in the Enhancements to Residual Indemnity provision.

### **Payment of Residual Indemnity**

Residual Indemnity will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are Residually Disabled; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity.

### **Enhancements to Residual Indemnity**

During the first six months in which Residual Indemnity is payable, We will deem Your Loss of Income to be 50% of Your Prior Income or the actual percentage of loss, if greater.

If Your Loss of Income is more than 75% of Prior Income in any month of Residual Disability while Residual Indemnity is payable, We will deem such loss to be 100%.

We will not increase the Residual Indemnity because You are Disabled from more than one cause at the same time.

### **Adjustment of Prior Income and Prior Business Expenses**

On the Review Date while Residual Indemnity is payable, We will adjust Your Prior Income and Prior Business Expenses for the next 12 months to reflect any changes in cost of living since the start of claim. We will adjust the Prior Income and Prior Business Expenses by multiplying each by the actual percentage change in the CPI-U between the Current Index Month and the Original Index Month. The adjusted Prior Income and adjusted Prior Business Expenses will apply to the 12-month period that follows the Review Date and will be used to determine Your Loss of Income.

The adjustment to Prior Income and Prior Business Expenses may vary from year to year as the CPI-U rises or falls in relation to the Original Index Month. We will make no change that would reduce Prior Income or Prior Business Expenses below what they were at the start of claim.

We will adjust the Prior Income and Prior Business Expenses on each Review Date while Residual Indemnity is payable until the first of the following events occurs:

- a Recovery Benefit is payable; or
- the Benefit Period ends; or
- this rider terminates.

### **Recovery Benefit**

We will pay You a Recovery Benefit if:

- You are no longer Disabled; and
- You return to Full Time Gainful Employment immediately following a period of Disability for which We paid benefits under the Policy; and
- Your Loss of Income is at least 20% of Your Prior Income; and
- Your Loss of Income is solely due to the Injury or Sickness that caused Your Disability.

The Recovery Benefit payable will be a percentage of the Monthly Indemnity for the Policy. The Recovery Benefit will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are claiming a Recovery Benefit; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity in effect on the last Review Date before Your Disability ended.

We will continue to waive premiums while You are receiving a Recovery Benefit even if it exceeds the six-month period after You recover as stated in the Waiver of Premium provision of the Policy. We will continue to waive premiums until the later of:

- the end of the six-month period after You recover; or
- the date the Recovery Benefit is no longer payable.

### **Proof of Loss**

In addition to any Proof of Loss required by the Policy, You must provide Us with written Proof of Loss necessary to establish that Your Loss of Income is solely the result of the Injury or Sickness that caused Your Disability.

### **Premium and Renewal**

The premium for this rider is shown in the Schedule Page. You may not renew this rider after the Expiration Date of the Policy.

### **Incontestable**

This rider will be incontestable as to the statements, except fraudulent statements, contained in the application for this rider after it has been in force for two years during Your lifetime from the Effective Date of this rider, excluding any period during which You are Disabled. No claim for a loss incurred or Disability that begins after two years from this date, excluding any period during which You are Disabled, will be reduced or denied because a sickness or physical condition existed prior to the Effective Date of this rider. This assumes that such sickness or physical condition was not excluded from Coverage by name or description under the Policy.

In the event of a reinstatement, this rider will be incontestable as to statements made by You, except fraudulent statements, contained in the application for reinstatement of the Policy after it has been in force for a period of two years following the date the Policy was reinstated, excluding any period during which You are Disabled.

## **TERMINATION**

### **Termination of Residual Indemnity**

Residual Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Residually Disabled; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Residual Disability; or
- You become Totally Disabled; or
- the Benefit Period ends; or
- this rider terminates.

### **Termination of Recovery Benefit**

Recovery Benefit will no longer be payable on the date that the first of the following events occurs:

- You become Disabled; or
- You are no longer Gainfully Employed Full Time; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Disability; or
- Your Loss of Income is less than 20% of Your Prior Income; or
- the Benefit Period ends; or
- this rider terminates.

**Berkshire Life Insurance Company of America**



Secretary

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## Supporting Document Schedules

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Flesch Certification <b>Comments:</b> <b>Attachment:</b> 1417 Flesch Score.pdf	Replaced	01/30/2012

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Application <b>Comments:</b> Form number: DI-2011 (12/11) Approved: 7/13/2011	Replaced	01/30/2012

	Item Status:	Status Date:
<b>Bypassed - Item:</b> Health - Actuarial Justification <b>Bypass Reason:</b> Form filing only <b>Comments:</b>	Replaced	01/30/2012

	Item Status:	Status Date:
<b>Satisfied - Item:</b> Outline of Coverage <b>Comments:</b> <b>Attachment:</b> TDOC (12-11).pdf	Replaced	01/30/2012

	Item Status:	Status Date:
<b>Satisfied - Item:</b> 1417 Red-Lined <b>Comments:</b>	Replaced	01/30/2012



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**Attachments:**

1417 \_07-11\_\_red-line.pdf  
1417-A \_07-11\_\_Red-Line.pdf  
TDOC \_12-11\_ Red-Lined.pdf

BERKSHIRE LIFE INSURANCE COMPANY OF AMERICA  
700 South Street  
Pittsfield MA 01201

CERTIFICATION

This is to certify that the forms listed below comply with the readability ease standards of the Life and Health Policy Simplification Act, Section 5a.

<u>Form Number</u>	<u>Sentences</u>	<u>Words</u>	<u>Syllables</u>	<u>Flesch Score</u>
1417 (07/11)	276	7,358	11,304	51.2
1417-A (07/11)	290	7,366	11,228	52.1



January 24, 2012

Donna K. Owens, Officer  
Director of Product Development

**DISABILITY INCOME PROTECTION COVERAGE  
REQUIRED OUTLINE OF COVERAGE**

**Policy Form 1400**

1. **READ YOUR POLICY CAREFULLY** – This outline provides a very brief description of Your Policy. This is not the insurance contract and only the actual provisions will control. The Policy itself sets forth in detail the rights and obligations of both You and Your insurance company. It is, therefore, important that YOU READ YOUR POLICY CAREFULLY.
2. **DISABILITY INCOME PROTECTION** – Policies of this category are designed to provide, to persons insured, Coverage for Disabilities resulting from a covered Injury or Sickness, subject to any limitations set forth in the Policy. Coverage is not provided for basic hospital, basic medical-surgical, or major medical expenses.
3. **BENEFITS OF THE POLICY** – The Policy provides benefits for Total Disability.

\$\_\_\_\_\_ Monthly Indemnity will be paid each month while You are Totally Disabled.

Benefits will start at the end of an Elimination Period of \_\_\_\_\_.

Your Benefit Period is \_\_\_\_\_.

Total Disability Definition – The definition of Total Disability that applies to the Policy is checked below:

- ☐ Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation.

You will be Totally Disabled even if You are Gainfully Employed in another occupation so long as, solely due to Injury or Sickness, You are not able to work in Your Occupation.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.

- ☐ Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation.

You will be Totally Disabled even if You are Gainfully Employed in another occupation so long as, solely due to Injury or Sickness, You are not able to work in Your Occupation.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.

If You have limited Your Occupation to the performance of the material and substantial duties of a single medical specialty or to a single dental specialty, We will deem that specialty to be Your Occupation.

- ☐ Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.

OPTIONAL BENEFITS – You have applied for those optional benefits checked below. There is a separate premium charge for each added benefit.

- ☐ Social Insurance Substitute Rider 1401 (All classes) – This rider provides a benefit for Disability when the benefits that You may be receiving from any social insurance plan do not equal or exceed the SIS Maximum Monthly Indemnity.

Your SIS Maximum Monthly Indemnity is \$\_\_\_\_\_ per month.

The SIS benefit each month is equal to the SIS Maximum Monthly Indemnity less any benefits You are receiving from a social insurance plan. Social insurance benefits include benefits for disability from workers' compensation or occupational disease law or for disability or retirement from Social Security.

This benefit will be added to the Monthly Indemnity of the Policy in each month when such indemnity is payable for Disability.

This rider terminates on the earlier of the Expiration Date or the date You retire under the Social Security Act.

- ☐ Two-Year Residual Disability Benefit Rider 1403 (see Residual Disability Benefit Rider 1402 below)

Benefits for Residual Disability may be payable for up to 24 months in any one claim.

- ☐ Residual Disability Benefit Rider 1402 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides reduced Monthly Indemnity when You are Residually Disabled.

Residual Disability means that You are Gainfully Employed and are not Totally Disabled under the terms of the Policy; but solely because of Injury or Sickness, Your Loss of Income is at least 15% of Your Prior Income.

The rider has the same Elimination Period as Your Policy.

For each month of the first 12 months that You are eligible for a Residual Disability benefit in the same claim, the policy will pay a Loss of Income Indemnity. The Loss of Income Indemnity is equal to Your Loss of Income less any individual disability insurance benefits You are receiving, or that You are eligible to receive from Berkshire Life Insurance Company of America and all other insurance companies on policies that are in force before the effective date of this rider. The Loss of Income Indemnity will not exceed your Monthly Indemnity. If you continue to be Residually Disabled after the Loss of Income Indemnity has been paid for 12 months, the policy pays a Residual Indemnity.

Your Residual Indemnity is based on the following formula:

$$\text{Residual Indemnity} = \frac{\text{Loss of Income}}{\text{Prior Income}} \times \text{Monthly Indemnity}$$

If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be added to the Monthly Indemnity of this formula.

You may be Totally or Residually Disabled to satisfy the Elimination Period of the Policy or rider and to meet the conditions for waiver of premium.

You may not renew this rider after the Expiration Date.

- ☐ 3% Compound Cost Of Living Adjustment Rider 1404 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides on the anniversary of a claim, while benefits are payable, a 3% adjustment in Monthly Indemnity that will be applicable to benefits paid for the next 12 months.

If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be adjusted in the same manner.

You may not renew this rider after the Expiration Date.

- ☐ Future Increase Option Rider 1405 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider gives You the right to apply for additional disability income insurance in future years despite any change in Your health or occupation. Your Option Date each year is the Policy Anniversary until You are Age 55.

This rider includes a Special Option Date that may be used once while this rider is in effect if You lose Your Group Long-Term Disability Coverage and it is not subsequently replaced.

Your total Future Increase Option is \$\_\_\_\_\_.

Until You are Age 45, You may apply for all or part of the remaining Total Increase Option on any one Option Date. On or after Age 45, You may apply for up to one-third of the remaining Total Increase Option, or the remaining Total Increase Option if it is less than \$1,000, on any Option Date.

Each Increase Policy applied for during an Option Period or a Special Option Period will be underwritten to determine the maximum amount of Monthly Indemnity, if any, available to You. You must provide evidence of Your Income, employment and all other disability insurance with any insurer that is in force, which You have applied for, or for which You are eligible. We may require additional evidence of financial insurability, as necessary. You do not have to provide evidence of Your medical insurability or occupation.

This rider expires after You are Age 55 or, if earlier, when You use Your last Increase Option.

- ☐ Automatic Benefit Enhancement Rider 1406 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides for an Automatic Increase of 4% in the Monthly Indemnity of the Policy on each of six consecutive Policy Anniversaries.

After a Rider Review Date and before the next Policy Anniversary, You may submit an application to renew this rider for the smallest of:

- another six Automatic Increases; or
- the number of Automatic Increases between your attained Age and Age 60, whichever is less; or
- the number of Automatic Increases which will not cause the Monthly Indemnity to exceed the maximum amount of allowable Monthly Indemnity, if any, available to You based on Our underwriting rules in effect at the time You apply for rider renewal.

If You apply to renew this rider, You must provide evidence of Your medical insurability, Income, occupation, employment and other insurance in force, applied for, or for which You are eligible. We may require additional evidence of financial insurability to renew this rider.

Your application to renew this rider will be underwritten in accordance with Our underwriting rules in effect at the time You apply for renewal to determine if You are eligible to renew this rider.

If benefits have been paid by Us under the Policy, You are not eligible to renew this rider.

This rider is renewable at six-year intervals but not past Age 60.

- ☐ Partial Disability Benefit Rider 1407 (Classes 2, 2M, 1 and 1M) – This rider provides one-half of the Monthly Indemnity when You are Partially Disabled after a period of Total Disability.

The Partial Indemnity of this rider is payable for six months or, if earlier, the end of the Benefit Period.

You must be Totally Disabled for the length of the Elimination Period before You become Partially Disabled.

Partial Disability means that You are Gainfully Employed but, because of Injury or Sickness:

- You are able to perform one or more but not all of the material and substantial duties of Your Occupation; or
- You are unable to perform the material and substantial duties of Your Occupation for more than one-half of the time normally required.

You may not renew this rider after the Expiration Date.

- ☐ Unemployment Waiver of Premium Rider 1409 (All classes) – Under this rider, We will waive the premiums of the Policy if You become unemployed and receive unemployment compensation for at least 60 consecutive days.

We will waive the premiums for a 12-month period beginning on the date You become unemployed even if You return to work.

Premiums may not be waived for a subsequent Unemployment Period until 48 months have elapsed from the end of the previous Unemployment Period.

You may not renew this rider after You are Age 60.

- ☐ Catastrophic Disability Benefit Rider 1410 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides a Catastrophic Disability Benefit if You are Catastrophically Disabled.

Catastrophically Disabled means that due to Injury or Sickness You are: unable to perform two or more of the Activities of Daily Living without Human Standby Assistance; or You are Cognitively Impaired; or You are Irrecoverably Disabled. The Activities of Daily Living are Bathing, Dressing, Eating, Transferring, Toileting and Continence.

\$\_\_\_\_\_ Catastrophic Disability Monthly Benefit will be paid at the end of each month while You are Catastrophically Disabled. Benefits will start at the end of an Elimination Period of \_\_\_\_\_.

Cognitive Impairment means You have suffered a severe deterioration or loss in Your cognitive capacity which requires Substantial Supervision to protect You or others from threats to health and safety. Substantial Supervision means continual supervision by another person that may include physical assistance, cueing by verbal prompting, gestures, or other similar demonstrations. The Cognitive Impairment must result from Injury, Sickness, Alzheimer's disease, senility or irreversible dementia, and must be supported by reliable clinical evidence and standardized tests that reliably measure Your impairment in short- or long-term memory; Your orientation as to person (such as who You are), place (such as Your location), and time (such as day, date and year); and deductive or abstract reasoning.

Irrecoverably Disabled means that, even if You are Gainfully Employed, Injury or Sickness results in Your total, complete and irrecoverable loss of: the sight in both eyes; or hearing in both ears; or speech; or the use of both hands, both feet, or one hand and one foot, in their entirety.

Maximum Monthly Catastrophic Disability Indemnity is equal to two times the Catastrophic Disability Indemnity shown in the Schedule Page.

You may not renew this rider after the Expiration Date.

- ☐ 6% Maximum Cost Of Living Adjustment Rider 1412 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider adjusts the Monthly Indemnity of Your Policy at the end of each 12 months in a continuous claim to reflect any changes in the cost of living.

We will adjust Your Monthly Indemnity based on changes in the Consumer Price Index for All Urban Consumers (CPI-U) from the start of claim. If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be adjusted in the same manner.

Your Monthly Indemnity may vary from year to year as the CPI-U rises or falls in relation to the Original Index Month. The adjustment to the Monthly Indemnity will never be less than what a 3% compound rate would provide or more than a 6% compound rate would provide.

You may not renew this rider after the Expiration Date.

- ☐ Four-Year Delayed Cost Of Living Adjustment Rider 1413 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides, starting on the fourth anniversary of a claim while benefits are payable, a 3% adjustment in Monthly Indemnity that will be applicable to benefits paid for the next 12 months.

If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be adjusted in the same manner.

You may not renew this rider after the Expiration Date.

- ☐ Graded Lifetime Indemnity for Total Disability Rider 1414 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides lifetime benefits if You become Totally Disabled before Age 65 and remain continuously Totally disabled in the same claim after the Expiration Date. The Lifetime Indemnity percentage is based on Your Age when the continuous Total Disability begins. For each year after Age 45, the percentage decreases by 5%.

You may not renew this rider after You attain Age 65 and are not Totally Disabled.

- ☐ Retirement Protection Plus Disability Benefit Rider 1415 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides an RPP Monthly Indemnity benefit payable to an irrevocable trust if You are Totally Disabled and not Gainfully Employed.

\$\_\_\_\_\_ RPP Monthly Indemnity will be paid at the end of each month while You are Totally Disabled and not Gainfully Employed.

Benefits will start at the end of an Elimination Period of \_\_\_\_\_

You may not renew this rider after Age 65.

- ☐ Lump Sum Disability Benefit Rider 1416 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides a lump sum benefit at the later of the Expiration Date of the Policy or the end of the Benefit Period if Disabled. The Lump Sum Benefit Amount will only be paid if the Policy and this rider are in force on the Expiration Date of the Policy, and if the sum of Contributing Payments is equal to or greater than the Qualifying Amount. The Lump Sum Benefit Amount is equal to the sum of Contributing Payments multiplied by 35%.

Contributing Payments are any Total Disability benefits and/or Residual Disability benefits paid under the Policy until the later of the Expiration Date or the end of the Benefit Period if Disabled.

Your Qualifying Amount is \$\_\_\_\_\_.

You may not renew this rider after the Expiration Date.

- ☐ Basic Residual Disability Benefit Rider 1417 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides reduced Monthly Indemnity when You are Residually Disabled.

Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled under the terms of the Policy, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are unable to perform one or more of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

The rider has the same Elimination Period as Your Policy.

Your Residual Indemnity is based on the following formula:

$$\text{Residual Indemnity} = \frac{\text{Loss of Income}}{\text{Prior Income}} \times \text{Monthly Indemnity}$$



During the first six months in which Residual Indemnity is payable, We will deem Your Loss of Income to be 50% of Your Prior Income or the actual percentage of loss, if greater.

If You have a Social Insurance Substitute Rider or an Automatic Benefit Enhancement Rider, any Monthly Benefits provided by these riders will be added to the Monthly Indemnity of this formula.

You may be Totally or Residually Disabled to satisfy the Elimination Period of the Policy and to meet the conditions for waiver of premium.

You may not renew this rider after the Expiration Date.

- ☐ 3% Maximum Cost Of Living Adjustment Rider 1418 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider adjusts the Monthly Indemnity of Your Policy at the end of each 12 months in a continuous claim to reflect any changes in the cost of living.

On the first Review Date, We will adjust the Monthly Indemnity by multiplying the Monthly Indemnity by the Cost of Living Adjustment Factor. On each subsequent Review Date while benefits are payable, We will adjust the Monthly Indemnity by multiplying the prior year's adjusted Monthly Indemnity by the Cost of Living Adjustment Factor.

The Cost of Living Adjustment Factor will never be less than 1.00 or greater than 1.03.

You may not renew this rider after the Expiration Date.

- ☐ Benefit Purchase Rider 1419 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider gives You the opportunity to apply for additional disability income insurance in future years despite any change in Your health. We will review Your eligibility for an Increase Policy on every third Policy Anniversary while this rider is in effect. To keep this rider in effect, You must submit an application and other evidence of insurability during the Benefit Purchase Period.

You may apply for one Increase Policy between each Review Date while this rider is in effect if You have at least a 50% increase in Your Income during the first three years after the Effective Date of the Policy or since the last Review Date, or You lose Your Group Long-Term Disability Coverage and it is not subsequently replaced.

Each Increase Policy applied for during a Benefit Purchase Period or as part of a Special Benefit Purchase Option Offer will be underwritten to determine the maximum amount of Monthly Indemnity, if any, available to You. You must provide evidence of Your Income, occupation, employment and all other disability insurance with any insurer that is in force, which You have applied for, or for which You are eligible. We may require additional evidence of financial insurability, as necessary. You do not have to provide evidence of Your medical insurability.

This rider terminates when the first of the following events occurs:

- An application for an Increase Policy and required evidence of insurability is not received during the Benefit Purchase Period; or
- Less than 50% of Our offer to increase the Monthly Indemnity is accepted; or
- The initial premium for any Increase Policy is not paid; or
- The date of Your request to decrease the Monthly Indemnity of the Policy to which this rider is attached; or
- The date of Your written request to terminate this rider; or
- You attain Age 55; or
- The Policy terminates.

4. **EXCLUSIONS AND LIMITATIONS OF THE POLICY – We will not pay benefits for any Disability:**

- caused by, contributed to, or which results from military training, military action, military conflict, or war, whether declared or undeclared, while You are serving in the military or units auxiliary thereto, or working for contracted military services;
- during any period of time in which You are incarcerated;
- caused by, contributed to, or which results from Your commission of, or attempt to commit, a criminal offense as defined under local, state, or federal law;
- caused by, contributed to, or which results from Your being engaged in an illegal occupation;
- caused by, contributed to, or which results from the suspension, revocation or surrender of Your professional or occupational license or certification;
- caused by, contributed to, or which results from an intentionally self-inflicted Injury;
- during the first three months of Disability or the Elimination Period, if longer, that is caused by, contributed to, or which results from normal pregnancy or childbirth; or
- due to any loss We have excluded by name or specific description.

**LIMITATION WHILE OUTSIDE THE UNITED STATES OR CANADA**-You must be living full time in the 50 states which comprise the United States of America, the District of Columbia or Canada in order to receive benefits under the Policy, except for incidental travel or vacation; otherwise, benefits will cease. Incidental travel or vacation means being outside of the 50 states which comprise the United States of America, the District of Columbia or Canada for less than 60 days in a 12-month period. You may not recover benefits that have ceased pursuant to this limitation.

If benefits under the Policy have ceased pursuant to this limitation and You return to the 50 states that comprise the United States of America, the District of Columbia or Canada, You may become eligible to resume receiving benefits under the Policy. You must satisfy all terms and conditions of the Policy in order to be eligible to resume receiving benefits under the Policy.

If You remain outside of the 50 states which comprise the United States of America, the District of Columbia or Canada, premiums will become due beginning six months after benefits cease.

**PRE-EXISTING CONDITION LIMITATION –** We will not cover any loss that begins in the first two years after the Effective Date from a Pre-existing Condition.

Pre-existing Condition means a physical or mental condition:

- that was misrepresented or not disclosed in Your application; and
- for which You received professional medical advice, diagnosis or treatment within two years before the Effective Date; or
- that caused symptoms within one year before the Effective Date for which a prudent person would usually seek professional medical advice, diagnosis or treatment.

**MENTAL AND/OR SUBSTANCE-RELATED DISORDERS LIMITATION –** Benefits for any Disability due to a Mental and/or Substance-Related Disorder will be paid for a period not longer than the Maximum Benefit Period for Mental and/or Substance-Related Disorders as shown in the Schedule Page of the Policy.

After the Maximum Benefit Period for Mental and/or Substance-Related Disorders and subject to the Policy provisions, We will only pay benefits while You are continuously confined in a Hospital for treatment of a Disability due to a Mental and/or Substance-Related Disorder, and You are under the regular medical care of a Physician.

Under no circumstance will We pay benefits for any Disability due to a Mental and/or Substance-Related Disorder that We have excluded by name or specific description.

5. RENEWABILITY OF THE POLICY – You may renew the Policy at the end of each Premium Term until the Expiration Date. During that time, We cannot change the premium or cancel the Policy.

After the Expiration Date, You may renew the Policy at the end of each Premium Term as long as You are not Disabled and You are Gainfully Employed Full Time for at least ten months each year and the premium is paid on time.

Your premium will be at Our rates then in effect for persons of Your Age, Class of Risk, Occupation Class, and any special class rating that applies to the Policy. We have the right to change such premiums on a class basis on any Policy Anniversary.

## BASIC RESIDUAL DISABILITY BENEFIT RIDER

This rider is a part of the Policy to which it is attached. All provisions of the Policy apply to this rider and remain the same except where We change them by this rider.

The Policy is amended by adding or changing the following provisions:

### DEFINITIONS

#### **CPI-U**

CPI-U means the Consumer Price Index for All Urban Consumers, or any later replacement of it, as published by the United States Department of Labor.

#### **Current Index Month**

Current Index Month means the anniversary of the Original Index Month immediately preceding the Review Date.

#### **Disability or Disabled**

Disability or Disabled is amended to also include Residual Disability or Residually Disabled.

#### **Original Index Month**

Original Index Month means the calendar month 90 days before the date on which You were first Disabled in the same claim.

#### **Residual Disability or Residually Disabled**

Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled under the terms of the Policy, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are unable to perform one or more, ~~but not all~~, of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

#### **Residual Indemnity**

Residual Indemnity means the amount We will pay for each month of Residual Disability. It is a percentage of the Monthly Indemnity.

#### **Review Date**

Review Date means the recurrence each year of the date on which You were first Disabled in the same claim.

### PROVISIONS RELATING TO RESIDUAL DISABILITY

#### **Residual Disability Benefit**

When You are Residually Disabled, We will pay Residual Indemnity as follows:

- You must become Disabled while the Policy is in force.
- You must satisfy the Elimination Period.
- After You have satisfied the Elimination Period, Residual Indemnity will be payable at the end of each month while You are Residually Disabled.

For each month benefits are payable under this rider, Residual Indemnity may never exceed Loss of Income, except as stated in the Enhancements to Residual Indemnity provision.

**Payment of Residual Indemnity**

Residual Indemnity will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are Residually Disabled; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity.

**Enhancements to Residual Indemnity**

During the first six months in which Residual Indemnity is payable, We will deem Your Loss of Income to be 50% of Your Prior Income or the actual percentage of loss, if greater.

If Your Loss of Income is more than 75% of Prior Income in any month of Residual Disability while Residual Indemnity is payable, We will deem such loss to be 100%.

We will not increase the Residual Indemnity because You are Disabled from more than one cause at the same time.

**Adjustment of Prior Income and Prior Business Expenses**

On the Review Date while Residual Indemnity is payable, We will adjust Your Prior Income and Prior Business Expenses for the next 12 months to reflect any changes in cost of living since the start of claim. We will adjust the Prior Income and Prior Business Expenses by multiplying each by the actual percentage change in the CPI-U between the Current Index Month and the Original Index Month. The adjusted Prior Income and adjusted Prior Business Expenses will apply to the 12-month period that follows the Review Date and will be used to determine Your Loss of Income.

The adjustment to Prior Income and Prior Business Expenses may vary from year to year as the CPI-U rises or falls in relation to the Original Index Month. We will make no change that would reduce Prior Income or Prior Business Expenses below what they were at the start of claim.

We will adjust the Prior Income and Prior Business Expenses on each Review Date while Residual Indemnity is payable until the first of the following events occurs:

- a Recovery Benefit is payable; or
- the Benefit Period ends; or
- this rider terminates.

**Recovery Benefit**

We will pay You a Recovery Benefit if:

- You are no longer Disabled; and
- You return to Full Time Gainful Employment immediately following a period of Disability for which We paid benefits under the Policy; and
- Your Loss of Income is at least 20% of Your Prior Income; and
- Your Loss of Income is solely due to the Injury or Sickness that caused Your Disability.

The Recovery Benefit payable will be a percentage of the Monthly Indemnity for the Policy. The Recovery Benefit will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are claiming a Recovery Benefit; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity in effect on the last Review Date before Your Disability ended.

We will continue to waive premiums while You are receiving a Recovery Benefit even if it exceeds the six-month period after You recover as stated in the Waiver of Premium provision of the Policy. We will continue to waive premiums until the later of:

- the end of the six-month period after You recover; or
- the date the Recovery Benefit is no longer payable.

**Proof of Loss**

In addition to any Proof of Loss required by the Policy, You must provide Us with written Proof of Loss necessary to establish that Your Loss of Income is solely the result of the Injury or Sickness that caused Your Disability.

**Premium and Renewal**

The premium for this rider is shown in the Schedule Page. You may not renew this rider after the Expiration Date of the Policy.

**TERMINATION****Termination of Residual Indemnity**

Residual Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Residually Disabled; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Residual Disability; or
- You become Totally Disabled; or
- the Benefit Period ends; or
- this rider terminates.

**Termination of Recovery Benefit**

Recovery Benefit will no longer be payable on the date that the first of the following events occurs:

- You become Disabled; or
- You are no longer Gainfully Employed Full Time; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Disability; or
- Your Loss of Income is less than 20% of Your Prior Income; or
- the Benefit Period ends; or
- this rider terminates.

**Berkshire Life Insurance Company of America**



Secretary

**Berkshire Life Insurance Company of America**  
**700 South Street**  
**Pittsfield, MA 01201**

## **BASIC RESIDUAL DISABILITY BENEFIT RIDER**

As of the Effective Date shown below, this rider is attached to the Policy. All provisions of the Policy apply to this rider and remain the same except where We change them by this rider.

Policy Number:

Insured:

Effective Date of this rider:

The Policy is amended by adding or changing the following provisions:

### **DEFINITIONS**

#### **CPI-U**

CPI-U means the Consumer Price Index for All Urban Consumers, or any later replacement of it, as published by the United States Department of Labor.

#### **Current Index Month**

Current Index Month means the anniversary of the Original Index Month immediately preceding the Review Date.

#### **Disability or Disabled**

Disability or Disabled is amended to also include Residual Disability or Residually Disabled.

#### **Original Index Month**

Original Index Month means the calendar month 90 days before the date on which You were first Disabled in the same claim.

#### **Residual Disability or Residually Disabled**

Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled under the terms of the Policy, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are unable to perform one or more, ~~but not all~~, of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

#### **Residual Indemnity**

Residual Indemnity means the amount We will pay for each month of Residual Disability. It is a percentage of the Monthly Indemnity.

#### **Review Date**

Review Date means the recurrence each year of the date on which You were first Disabled in the same claim.

### **PROVISIONS RELATING TO RESIDUAL DISABILITY**

#### **Residual Disability Benefit**

When You are Residually Disabled, We will pay Residual Indemnity as follows:

- You must become Disabled while the Policy is in force.

- You must satisfy the Elimination Period.
- After You have satisfied the Elimination Period, Residual Indemnity will be payable at the end of each month while You are Residually Disabled.

For each month benefits are payable under this rider, Residual Indemnity may never exceed Loss of Income, except as stated in the Enhancements to Residual Indemnity provision.

### **Payment of Residual Indemnity**

Residual Indemnity will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are Residually Disabled; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity.

### **Enhancements to Residual Indemnity**

During the first six months in which Residual Indemnity is payable, We will deem Your Loss of Income to be 50% of Your Prior Income or the actual percentage of loss, if greater.

If Your Loss of Income is more than 75% of Prior Income in any month of Residual Disability while Residual Indemnity is payable, We will deem such loss to be 100%.

We will not increase the Residual Indemnity because You are Disabled from more than one cause at the same time.

### **Adjustment of Prior Income and Prior Business Expenses**

On the Review Date while Residual Indemnity is payable, We will adjust Your Prior Income and Prior Business Expenses for the next 12 months to reflect any changes in cost of living since the start of claim. We will adjust the Prior Income and Prior Business Expenses by multiplying each by the actual percentage change in the CPI-U between the Current Index Month and the Original Index Month. The adjusted Prior Income and adjusted Prior Business Expenses will apply to the 12-month period that follows the Review Date and will be used to determine Your Loss of Income.

The adjustment to Prior Income and Prior Business Expenses may vary from year to year as the CPI-U rises or falls in relation to the Original Index Month. We will make no change that would reduce Prior Income or Prior Business Expenses below what they were at the start of claim.

We will adjust the Prior Income and Prior Business Expenses on each Review Date while Residual Indemnity is payable until the first of the following events occurs:

- a Recovery Benefit is payable; or
- the Benefit Period ends; or
- this rider terminates.

### **Recovery Benefit**

We will pay You a Recovery Benefit if:

- You are no longer Disabled; and
- You return to Full Time Gainful Employment immediately following a period of Disability for which We paid benefits under the Policy; and
- Your Loss of Income is at least 20% of Your Prior Income; and
- Your Loss of Income is solely due to the Injury or Sickness that caused Your Disability.

The Recovery Benefit payable will be a percentage of the Monthly Indemnity for the Policy. The Recovery Benefit will be determined by the formula (a) divided by (b) multiplied by (c), where:

- (a) is Your Loss of Income for the month in which You are claiming a Recovery Benefit; and
- (b) is Your Prior Income; and
- (c) is the Monthly Indemnity in effect on the last Review Date before Your Disability ended.



We will continue to waive premiums while You are receiving a Recovery Benefit even if it exceeds the six-month period after You recover as stated in the Waiver of Premium provision of the Policy. We will continue to waive premiums until the later of:

- the end of the six-month period after You recover; or
- the date the Recovery Benefit is no longer payable.

### **Proof of Loss**

In addition to any Proof of Loss required by the Policy, You must provide Us with written Proof of Loss necessary to establish that Your Loss of Income is solely the result of the Injury or Sickness that caused Your Disability.

### **Premium and Renewal**

The premium for this rider is shown in the Schedule Page. You may not renew this rider after the Expiration Date of the Policy.

### **Incontestable**

This rider will be incontestable as to the statements, except fraudulent statements, contained in the application for this rider after it has been in force for two years during Your lifetime from the Effective Date of this rider, excluding any period during which You are Disabled. No claim for a loss incurred or Disability that begins after two years from this date, excluding any period during which You are Disabled, will be reduced or denied because a sickness or physical condition existed prior to the Effective Date of this rider. This assumes that such sickness or physical condition was not excluded from Coverage by name or description under the Policy.

In the event of a reinstatement, this rider will be incontestable as to statements made by You, except fraudulent statements, contained in the application for reinstatement of the Policy after it has been in force for a period of two years following the date the Policy was reinstated, excluding any period during which You are Disabled.

## **TERMINATION**

### **Termination of Residual Indemnity**

Residual Indemnity will no longer be payable on the date that the first of the following events occurs:

- You are no longer Residually Disabled; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Residual Disability; or
- You become Totally Disabled; or
- the Benefit Period ends; or
- this rider terminates.

### **Termination of Recovery Benefit**

Recovery Benefit will no longer be payable on the date that the first of the following events occurs:

- You become Disabled; or
- You are no longer Gainfully Employed Full Time; or
- Your Loss of Income is no longer solely due to the Injury or Sickness that caused Your Disability; or
- Your Loss of Income is less than 20% of Your Prior Income; or
- the Benefit Period ends; or
- this rider terminates.

**Berkshire Life Insurance Company of America**



Secretary

**DISABILITY INCOME PROTECTION COVERAGE  
REQUIRED OUTLINE OF COVERAGE**

**Policy Form 1400**

1. **READ YOUR POLICY CAREFULLY** – This outline provides a very brief description of Your Policy. This is not the insurance contract and only the actual provisions will control. The Policy itself sets forth in detail the rights and obligations of both You and Your insurance company. It is, therefore, important that YOU READ YOUR POLICY CAREFULLY.
2. **DISABILITY INCOME PROTECTION** – Policies of this category are designed to provide, to persons insured, Coverage for Disabilities resulting from a covered Injury or Sickness, subject to any limitations set forth in the Policy. Coverage is not provided for basic hospital, basic medical-surgical, or major medical expenses.
3. **BENEFITS OF THE POLICY** – The Policy provides benefits for Total Disability.

\$\_\_\_\_\_ Monthly Indemnity will be paid each month while You are Totally Disabled.

Benefits will start at the end of an Elimination Period of \_\_\_\_\_.

Your Benefit Period is \_\_\_\_\_.

Total Disability Definition – The definition of Total Disability that applies to the Policy is checked below:

- ☐ Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation.

You will be Totally Disabled even if You are Gainfully Employed in another occupation so long as, solely due to Injury or Sickness, You are not able to work in Your Occupation.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.

- ☐ Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation.

You will be Totally Disabled even if You are Gainfully Employed in another occupation so long as, solely due to Injury or Sickness, You are not able to work in Your Occupation.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.

If You have limited Your Occupation to the performance of the material and substantial duties of a single medical specialty or to a single dental specialty, We will deem that specialty to be Your Occupation.

- ☐ Total Disability or Totally Disabled means that, solely due to Injury or Sickness, You are not able to perform the material and substantial duties of Your Occupation and You are not Gainfully Employed.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

Your Occupation means the occupation (or occupations, if more than one) in which You are Gainfully Employed during the 12 months prior to the time You become Disabled.

OPTIONAL BENEFITS – You have applied for those optional benefits checked below. There is a separate premium charge for each added benefit.

- ☐ Social Insurance Substitute Rider 1401 (All classes) – This rider provides a benefit for Disability when the benefits that You may be receiving from any social insurance plan do not equal or exceed the SIS Maximum Monthly Indemnity.

Your SIS Maximum Monthly Indemnity is \$\_\_\_\_\_ per month.

The SIS benefit each month is equal to the SIS Maximum Monthly Indemnity less any benefits You are receiving from a social insurance plan. Social insurance benefits include benefits for disability from workers' compensation or occupational disease law or for disability or retirement from Social Security.

This benefit will be added to the Monthly Indemnity of the Policy in each month when such indemnity is payable for Disability.

This rider terminates on the earlier of the Expiration Date or the date You retire under the Social Security Act.

- ☐ Two-Year Residual Disability Benefit Rider 1403 (see Residual Disability Benefit Rider 1402 below)

Benefits for Residual Disability may be payable for up to 24 months in any one claim.

- ☐ Residual Disability Benefit Rider 1402 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides reduced Monthly Indemnity when You are Residually Disabled.

Residual Disability means that You are Gainfully Employed and are not Totally Disabled under the terms of the Policy; but solely because of Injury or Sickness, Your Loss of Income is at least 15% of Your Prior Income.

The rider has the same Elimination Period as Your Policy.

For each month of the first 12 months that You are eligible for a Residual Disability benefit in the same claim, the policy will pay a Loss of Income Indemnity. The Loss of Income Indemnity is equal to Your Loss of Income less any individual disability insurance benefits You are receiving, or that You are eligible to receive from Berkshire Life Insurance Company of America and all other insurance companies on policies that are in force before the effective date of this rider. The Loss of Income Indemnity will not exceed your Monthly Indemnity. If you continue to be Residually Disabled after the Loss of Income Indemnity has been paid for 12 months, the policy pays a Residual Indemnity.

Your Residual Indemnity is based on the following formula:

$$\text{Residual Indemnity} = \frac{\text{Loss of Income}}{\text{Prior Income}} \times \text{Monthly Indemnity}$$

If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be added to the Monthly Indemnity of this formula.

You may be Totally or Residually Disabled to satisfy the Elimination Period of the Policy or rider and to meet the conditions for waiver of premium.

You may not renew this rider after the Expiration Date.

- ☐ 3% Compound Cost Of Living Adjustment Rider 1404 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides on the anniversary of a claim, while benefits are payable, a 3% adjustment in Monthly Indemnity that will be applicable to benefits paid for the next 12 months.

If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be adjusted in the same manner.

You may not renew this rider after the Expiration Date.

- ☐ Future Increase Option Rider 1405 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider gives You the right to apply for additional disability income insurance in future years despite any change in Your health or occupation. Your Option Date each year is the Policy Anniversary until You are Age 55.

This rider includes a Special Option Date that may be used once while this rider is in effect if You lose Your Group Long-Term Disability Coverage and it is not subsequently replaced.

Your total Future Increase Option is \$\_\_\_\_\_.

Until You are Age 45, You may apply for all or part of the remaining Total Increase Option on any one Option Date. On or after Age 45, You may apply for up to one-third of the remaining Total Increase Option, or the remaining Total Increase Option if it is less than \$1,000, on any Option Date.

Each Increase Policy applied for during an Option Period or a Special Option Period will be underwritten to determine the maximum amount of Monthly Indemnity, if any, available to You. You must provide evidence of Your Income, employment and all other disability insurance with any insurer that is in force, which You have applied for, or for which You are eligible. We may require additional evidence of financial insurability, as necessary. You do not have to provide evidence of Your medical insurability or occupation.

This rider expires after You are Age 55 or, if earlier, when You use Your last Increase Option.

- ☐ Automatic Benefit Enhancement Rider 1406 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides for an Automatic Increase of 4% in the Monthly Indemnity of the Policy on each of six consecutive Policy Anniversaries.

After a Rider Review Date and before the next Policy Anniversary, You may submit an application to renew this rider for the smallest of:

- another six Automatic Increases; or
- the number of Automatic Increases between your attained Age and Age 60, whichever is less; or
- the number of Automatic Increases which will not cause the Monthly Indemnity to exceed the maximum amount of allowable Monthly Indemnity, if any, available to You based on Our underwriting rules in effect at the time You apply for rider renewal.

If You apply to renew this rider, You must provide evidence of Your medical insurability, Income, occupation, employment and other insurance in force, applied for, or for which You are eligible. We may require additional evidence of financial insurability to renew this rider.

Your application to renew this rider will be underwritten in accordance with Our underwriting rules in effect at the time You apply for renewal to determine if You are eligible to renew this rider.

If benefits have been paid by Us under the Policy, You are not eligible to renew this rider.

This rider is renewable at six-year intervals but not past Age 60.

- ☐ Partial Disability Benefit Rider 1407 (Classes 2, 2M, 1 and 1M) – This rider provides one-half of the Monthly Indemnity when You are Partially Disabled after a period of Total Disability.

The Partial Indemnity of this rider is payable for six months or, if earlier, the end of the Benefit Period.

You must be Totally Disabled for the length of the Elimination Period before You become Partially Disabled.

Partial Disability means that You are Gainfully Employed but, because of Injury or Sickness:

- You are able to perform one or more but not all of the material and substantial duties of Your Occupation; or
- You are unable to perform the material and substantial duties of Your Occupation for more than one-half of the time normally required.

You may not renew this rider after the Expiration Date.

- ☐ Unemployment Waiver of Premium Rider 1409 (All classes) – Under this rider, We will waive the premiums of the Policy if You become unemployed and receive unemployment compensation for at least 60 consecutive days.

We will waive the premiums for a 12-month period beginning on the date You become unemployed even if You return to work.

Premiums may not be waived for a subsequent Unemployment Period until 48 months have elapsed from the end of the previous Unemployment Period.

You may not renew this rider after You are Age 60.

- ☐ Catastrophic Disability Benefit Rider 1410 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides a Catastrophic Disability Benefit if You are Catastrophically Disabled.

Catastrophically Disabled means that due to Injury or Sickness You are: unable to perform two or more of the Activities of Daily Living without Human Standby Assistance; or You are Cognitively Impaired; or You are Irrecoverably Disabled. The Activities of Daily Living are Bathing, Dressing, Eating, Transferring, Toileting and Continence.

\$\_\_\_\_\_ Catastrophic Disability Monthly Benefit will be paid at the end of each month while You are Catastrophically Disabled. Benefits will start at the end of an Elimination Period of \_\_\_\_\_.

Cognitive Impairment means You have suffered a severe deterioration or loss in Your cognitive capacity which requires Substantial Supervision to protect You or others from threats to health and safety. Substantial Supervision means continual supervision by another person that may include physical assistance, cueing by verbal prompting, gestures, or other similar demonstrations. The Cognitive Impairment must result from Injury, Sickness, Alzheimer's disease, senility or irreversible dementia, and must be supported by reliable clinical evidence and standardized tests that reliably measure Your impairment in short- or long-term memory; Your orientation as to person (such as who You are), place (such as Your location), and time (such as day, date and year); and deductive or abstract reasoning.

Irrecoverably Disabled means that, even if You are Gainfully Employed, Injury or Sickness results in Your total, complete and irrecoverable loss of: the sight in both eyes; or hearing in both ears; or speech; or the use of both hands, both feet, or one hand and one foot, in their entirety.

Maximum Monthly Catastrophic Disability Indemnity is equal to two times the Catastrophic Disability Indemnity shown in the Schedule Page.

You may not renew this rider after the Expiration Date.

- ☐ 6% Maximum Cost Of Living Adjustment Rider 1412 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider adjusts the Monthly Indemnity of Your Policy at the end of each 12 months in a continuous claim to reflect any changes in the cost of living.

We will adjust Your Monthly Indemnity based on changes in the Consumer Price Index for All Urban Consumers (CPI-U) from the start of claim. If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be adjusted in the same manner.

Your Monthly Indemnity may vary from year to year as the CPI-U rises or falls in relation to the Original Index Month. The adjustment to the Monthly Indemnity will never be less than what a 3% compound rate would provide or more than a 6% compound rate would provide.

You may not renew this rider after the Expiration Date.

- ☐ Four-Year Delayed Cost Of Living Adjustment Rider 1413 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides, starting on the fourth anniversary of a claim while benefits are payable, a 3% adjustment in Monthly Indemnity that will be applicable to benefits paid for the next 12 months.

If You have a Social Insurance Substitute Rider, an Automatic Benefit Enhancement Rider, or an Additional Monthly Benefit Rider, any Monthly Benefits provided by these riders will be adjusted in the same manner.

You may not renew this rider after the Expiration Date.

- ☐ Graded Lifetime Indemnity for Total Disability Rider 1414 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides lifetime benefits if You become Totally Disabled before Age 65 and remain continuously Totally disabled in the same claim after the Expiration Date. The Lifetime Indemnity percentage is based on Your Age when the continuous Total Disability begins. For each year after Age 45, the percentage decreases by 5%.

You may not renew this rider after You attain Age 65 and are not Totally Disabled.

- ☐ Retirement Protection Plus Disability Benefit Rider 1415 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides an RPP Monthly Indemnity benefit payable to an irrevocable trust if You are Totally Disabled and not Gainfully Employed.

\$\_\_\_\_\_ RPP Monthly Indemnity will be paid at the end of each month while You are Totally Disabled and not Gainfully Employed.

Benefits will start at the end of an Elimination Period of \_\_\_\_\_

You may not renew this rider after Age 65.

- ☐ Lump Sum Disability Benefit Rider 1416 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides a lump sum benefit at the later of the Expiration Date of the Policy or the end of the Benefit Period if Disabled. The Lump Sum Benefit Amount will only be paid if the Policy and this rider are in force on the Expiration Date of the Policy, and if the sum of Contributing Payments is equal to or greater than the Qualifying Amount. The Lump Sum Benefit Amount is equal to the sum of Contributing Payments multiplied by 35%.

Contributing Payments are any Total Disability benefits and/or Residual Disability benefits paid under the Policy until the later of the Expiration Date or the end of the Benefit Period if Disabled.

Your Qualifying Amount is \$\_\_\_\_\_.

You may not renew this rider after the Expiration Date.

- ☐ Basic Residual Disability Benefit Rider 1417 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider provides reduced Monthly Indemnity when You are Residually Disabled.

Residual Disability or Residually Disabled means that You are Gainfully Employed and You are not Totally Disabled under the terms of the Policy, but solely due to Injury or Sickness:

- You experience a Loss of Income that is at least 20% of Your Prior Income; and either
- You are unable to perform one or more, ~~but not all~~, of the material and substantial duties of Your Occupation; or
- You are able to perform all of the material and substantial duties of Your Occupation but not for the length of time they normally require.

Working an average of more than 40 hours in a week, in itself, is not a material and substantial duty.

The rider has the same Elimination Period as Your Policy.

Your Residual Indemnity is based on the following formula:

$$\text{Residual Indemnity} = \frac{\text{Loss of Income}}{\text{Prior Income}} \times \text{Monthly Indemnity}$$

During the first six months in which Residual Indemnity is payable, We will deem Your Loss of Income to be 50% of Your Prior Income or the actual percentage of loss, if greater.

If You have a Social Insurance Substitute Rider or an Automatic Benefit Enhancement Rider, any Monthly Benefits provided by these riders will be added to the Monthly Indemnity of this formula.

You may be Totally or Residually Disabled to satisfy the Elimination Period of the Policy and to meet the conditions for waiver of premium.

You may not renew this rider after the Expiration Date.

- ☐ 3% Maximum Cost Of Living Adjustment Rider 1418 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider adjusts the Monthly Indemnity of Your Policy at the end of each 12 months in a continuous claim to reflect any changes in the cost of living.

On the first Review Date, We will adjust the Monthly Indemnity by multiplying the Monthly Indemnity by the Cost of Living Adjustment Factor. On each subsequent Review Date while benefits are payable, We will adjust the Monthly Indemnity by multiplying the prior year's adjusted Monthly Indemnity by the Cost of Living Adjustment Factor.

The Cost of Living Adjustment Factor will never be less than 1.00 or greater than 1.03.

You may not renew this rider after the Expiration Date.

- ☐ Benefit Purchase Rider 1419 (Classes 6, 6M, 5, 5M, 4, 4M, 3 and 3M) – This rider gives You the opportunity to apply for additional disability income insurance in future years despite any change in Your health. We will review Your eligibility for an Increase Policy on every third Policy Anniversary while this rider is in effect. To keep this rider in effect, You must submit an application and other evidence of insurability during the Benefit Purchase Period.

You may apply for one Increase Policy between each Review Date while this rider is in effect if You have at least a 50% increase in Your Income during the first three years after the Effective Date of the Policy or since the last Review Date, or You lose Your Group Long-Term Disability Coverage and it is not subsequently replaced.

Each Increase Policy applied for during a Benefit Purchase Period or as part of a Special Benefit Purchase Option Offer will be underwritten to determine the maximum amount of Monthly Indemnity, if any, available to You. You must provide evidence of Your Income, occupation, employment and all other disability insurance with any insurer that is in force, which You have applied for, or for which You are eligible. We may require additional evidence of financial insurability, as necessary. You do not have to provide evidence of Your medical insurability.

This rider terminates when the first of the following events occurs:

- An application for an Increase Policy and required evidence of insurability is not received during the Benefit Purchase Period; or
- Less than 50% of Our offer to increase the Monthly Indemnity is accepted; or
- The initial premium for any Increase Policy is not paid; or
- The date of Your request to decrease the Monthly Indemnity of the Policy to which this rider is attached; or
- The date of Your written request to terminate this rider; or
- You attain Age 55; or
- The Policy terminates.



4. **EXCLUSIONS AND LIMITATIONS OF THE POLICY – We will not pay benefits for any Disability:**

- caused by, contributed to, or which results from military training, military action, military conflict, or war, whether declared or undeclared, while You are serving in the military or units auxiliary thereto, or working for contracted military services;
- during any period of time in which You are incarcerated;
- caused by, contributed to, or which results from Your commission of, or attempt to commit, a criminal offense as defined under local, state, or federal law;
- caused by, contributed to, or which results from Your being engaged in an illegal occupation;
- caused by, contributed to, or which results from the suspension, revocation or surrender of Your professional or occupational license or certification;
- caused by, contributed to, or which results from an intentionally self-inflicted Injury;
- during the first three months of Disability or the Elimination Period, if longer, that is caused by, contributed to, or which results from normal pregnancy or childbirth; or
- due to any loss We have excluded by name or specific description.

**LIMITATION WHILE OUTSIDE THE UNITED STATES OR CANADA**-You must be living full time in the 50 states which comprise the United States of America, the District of Columbia or Canada in order to receive benefits under the Policy, except for incidental travel or vacation; otherwise, benefits will cease. Incidental travel or vacation means being outside of the 50 states which comprise the United States of America, the District of Columbia or Canada for less than 60 days in a 12-month period. You may not recover benefits that have ceased pursuant to this limitation.

If benefits under the Policy have ceased pursuant to this limitation and You return to the 50 states that comprise the United States of America, the District of Columbia or Canada, You may become eligible to resume receiving benefits under the Policy. You must satisfy all terms and conditions of the Policy in order to be eligible to resume receiving benefits under the Policy.

If You remain outside of the 50 states which comprise the United States of America, the District of Columbia or Canada, premiums will become due beginning six months after benefits cease.

**PRE-EXISTING CONDITION LIMITATION –** We will not cover any loss that begins in the first two years after the Effective Date from a Pre-existing Condition.

Pre-existing Condition means a physical or mental condition:

- that was misrepresented or not disclosed in Your application; and
- for which You received professional medical advice, diagnosis or treatment within two years before the Effective Date; or
- that caused symptoms within one year before the Effective Date for which a prudent person would usually seek professional medical advice, diagnosis or treatment.

**MENTAL AND/OR SUBSTANCE-RELATED DISORDERS LIMITATION –** Benefits for any Disability due to a Mental and/or Substance-Related Disorder will be paid for a period not longer than the Maximum Benefit Period for Mental and/or Substance-Related Disorders as shown in the Schedule Page of the Policy.

After the Maximum Benefit Period for Mental and/or Substance-Related Disorders and subject to the Policy provisions, We will only pay benefits while You are continuously confined in a Hospital for treatment of a Disability due to a Mental and/or Substance-Related Disorder, and You are under the regular medical care of a Physician.

Under no circumstance will We pay benefits for any Disability due to a Mental and/or Substance-Related Disorder that We have excluded by name or specific description.

5. RENEWABILITY OF THE POLICY – You may renew the Policy at the end of each Premium Term until the Expiration Date. During that time, We cannot change the premium or cancel the Policy.

After the Expiration Date, You may renew the Policy at the end of each Premium Term as long as You are not Disabled and You are Gainfully Employed Full Time for at least ten months each year and the premium is paid on time.

Your premium will be at Our rates then in effect for persons of Your Age, Class of Risk, Occupation Class, and any special class rating that applies to the Policy. We have the right to change such premiums on a class basis on any Policy Anniversary.